

Target white-collar crime, Earl Jones's victims say

Why did financial institutions allow Jones to operate in such a way? they ask

BY ANNE SUTHERLAND, THE GAZETTE JANUARY 16, 2010



Protesters stand outside Earl Jones's Dorval home in September 2009.

Photograph by: Peter McCabe, The Gazette

MONTREAL – Earl Jones will be sentenced on Feb. 15, but the organizing committee working on behalf of the 170 victims he left behind are not resting on their laurels.

Far from over, they say, the battle has just begun, and the group is focusing on two fronts: the government and the financial organizations that allowed Jones to operate his Ponzi scheme for so long.

"While today is a significant day, it is just one milestone in the campaign for true justice for the Earl Jones victims," said committee member Kevin Curran.

The members will continue to push both the provincial and federal governments for tougher laws for white-collar crimes, despite the fact that Jones will be sentenced and serve his time under the current rules, which allow time off for good behaviour.

Jones could be released from prison as early as 22 months from now, assuming he gets 11 years from the judge next month, Curran pointed out.

The victims have long known that there is no money left for them from the millions spent by Jones and the interest payments he did actually pay out to some of his clients, though it turns out that was not interest but their own capital they received.

Now the victims' committee is taking aim at the banks and other financial institutions that seemingly permitted Jones to operate in such an unorthodox manner, mingling his clients' money in and out of one large "in trust" account and issuing large mortgages with 20-year terms to clients in their 70s.

Even Jeffrey Boro, Jones's lawyer, had questions about how his client was permitted to operate his business account for 27 years with no questions asked.

"I personally don't understand how the bank allowed such an account to be opened," Boro said after yesterday's guilty plea.

"I'm not trying to justify what my client did, but I would understand a class- action (suit) against some party with deep pockets," Boro said.

In the deposition Jones gave to the bankruptcy trustees last month, lawyer Neil Stein returned again and again to the former money man with questions about his "in trust" account.

Jones dealt with a Royal Bank branch in Beaconsfield and it was only in August 2008 that the bank told him he had to change the type of account from "in trust" to corporate because of some irregularities in usage.

"Do you recall, prior to the summer of 2008, anybody at the Royal Bank questioning your use of this trust account?" Stein asks on Page 32 of the deposition.

"No," Jones replies, saying that he only remembers calls suggesting that he was not getting interest in that account for the large balance held.

"Can you tell me whether the Royal Bank, at any point in time, advised you that they had certain rules and regulations vis-à-vis these trust accounts?" Stein asks.

"I guess in August (2008)," Jones says.

Curran confirmed that the legal team working with the victims "is reviewing all relevant actions against financial institutions to provide restitution to the victims." "We're weighing all our options," Curran said.

The Royal Bank public- relations spokesperson told The Gazette several months ago that he could no longer comment on the Earl Jones affair. Calls to the PR department yesterday were not returned.

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